

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 18

January 12, 2017

SUMMARY OF BILL: Imposes certain prescription refill timelines on prescription eye drops when already covered by an individual's health plan.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Currently, the Division of Health Care Finance and Administration, TennCare program allows for prescription eye drop refills at 85 percent of the dosage in a 30-day supply. This allows an enrollee to refill their prescription every 25.5 days (30 days x 0.85 percent of dosage units). If an enrollee were to use the maximum number of refills per year, they would use 14.3 (365 days / 25.5 days before refill is allowed) refills.
- Based on information provided by TennCare, in a one-year period, 71 enrollees had prescription eye drops. Of the 71 enrollees, one used 13 refills per year and the other 70 enrollees used between 10 and 12 refills per year. The actual usage of prescription refills was always lower than the maximum allowed 14.3 refills.
- The proposed legislation would allow for a refill every 21 days on a 30-day supply, increasing the maximum amount of refills to 17.4 (365 / 21 days) per year.
- Assuming similar usage amounts per enrollee, increasing the maximum number of prescriptions from 14.3 to 17.4 refills will not result in a significant increase in the number of 30-day supply refills.
- TennCare does not currently cover 60 or 90-day supply prescriptions for eye drops. The proposed legislation specifies the prescription limits only apply when already covered by an individual's health plan; therefore, 60 and 90-day supplies would remain uncovered.
- Based on information from Finance and Administration Benefits Administration, prescription eye drops are currently covered and do not require any prior authorization or quantity limits; therefore, the fiscal impact to Benefits Administration is not significant.
- The proposed legislation simply allows for a timeline for prescription refills if the health plan currently provides coverage for prescription eye drops. Therefore, the Department of Commerce and Insurance would not be required to cover any costs incurred by the carriers and is able to enforce the statute within existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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